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**Adams Golf Reports Record Second Quarter Sales and Earnings; First Earnings Report as a Public Company**

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PLANO, Texas, July 22 /PRNewswire/ -- **Adams Golf** (Nasdaq: ADGO) today announced record sales and earnings for the second quarter ended June 30, 1998. Net sales increased 751 percent to \$33,817,000 as compared to net sales of \$3,974,000 during the second quarter of 1997. Net income increased to \$6,657,000, or \$0.35 per share on a diluted basis, for the three month period ended June 30, 1998 from a loss of \$4,000, or \$0.00 per share, for the comparable period in 1997.

For the six month period ended June 30, 1998, net sales were \$58,328,000, an increase of 970 percent from \$5,449,000 for the comparable period in 1997. Net income for the six month period ended June 30, 1998 was \$12,299,000 or \$0.66 per share on a diluted basis, versus \$41,000 or \$0.00 per share for the first six months of 1997.

B.H. (Barney) Adams, Chairman, CEO and President of **Adams Golf**, stated, "The Company has enjoyed tremendous growth because of the demand by golfers for our innovative clubs. We are pleased to report such outstanding results in our first earnings report as a publicly held company."

The Company designs, manufactures and markets premium quality, technologically innovative golf clubs including the Tight Lies(R) fairway woods. The Company's Common Stock began trading on the Nasdaq Stock Market's National Market on Friday, July 10, 1998. Further information on the Company can be found on its Internet site, [www.adamsgolf.com](http://www.adamsgolf.com).

**ADAMS GOLF, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands except for share and per share data)

Three Months Ended Six Months Ended

June 30, June 30,

1997 1998 1997 1998

(unaudited) (unaudited)

Net Sales \$ 3,974 \$33,817 \$ 5,449 \$58,328

Cost of Goods Sold 1,556 7,763 2,142 13,625

Gross Profit 2,418 26,054 3,307 44,703

Operating Expenses:

Selling and Royalty 1,867 11,139 2,286 17,387

General and Administrative 509 3,691 914 7,023

Research and Development 38 467 38 664

Total Operating Expenses 2,414 15,297 3,238 25,074

Operating Income 4 10,757 69 19,629

Other Expense (10) (11) (14) (111)

Net Income (Loss)

Before Income Taxes (6) 10,746 55 19,518

Income Tax Expense (Benefit) (2) 4,089 14 7,219

Net Income (Loss) \$ (4) \$ 6,657 \$ 41 \$12,299

Net Income per Common Share:

Basic \$ .00 \$ .35 \$ .00 \$ .68

Diluted \$ .00 \$ .35 \$ .00 \$ .66

Weighted Average Number

of Shares Outstanding:

Basic 11,873,234 18,802,579 11,873,234 18,218,730

Diluted 11,873,234 19,038,247 11,873,234 18,664,287

/CONTACT: Patty Walsh, Director, Investor Relations of **Adams Golf**, 972-673-9850/ 07:55 EDT

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## ADAMS IN THE NEWS

### Adams Golf Comments on Earnings Outlook

--9/28/98

PLANO, Texas, September 28, 1998 -- Adams Golf announced today that the Company expects its net sales for the quarter ending September 30, 1998 will range between \$22 million and \$23 million with earnings between \$.17 and \$.19 per share. While these results would represent a significant improvement over the \$14.2 million net sales reported for the third quarter of 1997, they fall slightly short of Wall Street analysts' 1998 third quarter sales estimates ranging from \$25 million to \$25.5 million and earnings estimates of \$.20 to \$.23 per share. The Company intends to report actual third quarter results on or about October 22, 1998.

The Company attributes the lower than expected sales to new product introductions by the Company's competitors in the fairway wood category and, to a lesser degree, a general softening of golf equipment sales.

"In anticipation of increased competition in fairway woods, we have continued to work on the development of new products in other golf equipment segments and are in the final testing stages of a new, technologically advanced driver which we intend to introduce in the first quarter of 1999," stated Barney Adams. "In addition, we plan to begin airing a new infomercial in mid-October which will, for the first time, emphasize the availability of the additional Tight Lies® lofts and focus on specific technical advantages of the patented Tight Lies design over products manufactured by the Company's primary competitors," Barney Adams concluded.

In regard to additional financial matters, Barney Adams stated, "international sales continue to increase at a rate that exceeds our expectations and present a significant opportunity for future growth. Furthermore, the financial condition of the Company remains strong with cash and temporary investments in excess of \$66 million and virtually no debt."

Adams Golf designs, manufactures and markets premium quality, technologically innovative golf clubs including the Tight Lies fairway woods. Further information on the Company can be found on its Internet site, [www.adamsgolf.com](http://www.adamsgolf.com).

*This release, other than historical information, includes forward-looking statements with respect to industry trends and certain other matters.*

*These statements are made under the*

*"safe harbor"*

*provisions of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, including but not*

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limited to the following: product development; product introductions; market demand and acceptance of products; the impact of changing economic conditions; business conditions in the golf industry; reliance on third parties including suppliers; the impact of market peers and their products; the actions of competitors, including pricing; risks concerning future technology; and one time events and other factors detailed in the Company's prospectus, and other Securities and Exchange Commission filings. These filings can be obtained by contacting Adams Golf Investor Relations.

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## ADAMS IN THE NEWS

### Adams Golf Reports Third Quarter Operating Results

--10/22/98

PLANO, Texas, October 22, 1998 -- Adams Golf (Nasdaq:ADGO) today announced operating results for the third quarter ended September 30, 1998. Net sales increased 61.5 percent to \$22,986,702 as compared to net sales of \$14,236,078 during the third quarter of 1997. Net income increased to \$4,346,389 for the three months ended September 30, 1998 from \$3,143,967 for the comparable period in 1997. Net income per common share decreased to \$0.19 for the three months ended September 30, 1998 from \$0.26 per share for the comparable period of 1997 based on weighted average diluted common shares outstanding of 22,748,523 and 12,156,878, respectively.

For the nine months ended September 30, 1998, net sales were \$81,314,895, an increase of 313 percent from \$19,684,813 for the comparable period in 1997. Net income for the nine months ended September 30, 1998 was \$16,645,897 versus \$3,184,807 for the first nine months of 1997. Net income per common share increased to \$0.83 for the nine months ended September 30, 1998 from \$0.27 per share for the comparable period of 1997 based on weighted average diluted common shares outstanding of 20,011,800 and 11,968,472, respectively.

"We are pleased with our third quarter results, especially considering the general softening we have seen in the golf equipment market," stated Barney Adams, Chairman, CEO and President of Adams Golf.

Commenting on the Company's outlook for the fourth quarter, Mr. Adams stated, "At this time, we expect our fourth quarter sales will be affected by continuing weakness in the golf equipment market. In addition, we anticipate our sales will be further impacted by the recent gray market distribution of our products to a membership warehouse club. While we are working diligently to identify and stop the unauthorized distribution of our products to this retailer, we anticipate this process will take at least through the end of the year. As a result of these market conditions, we anticipate that our net income for the fourth quarter will be at or slightly above a break even level. We remain optimistic, however, about our ability to increase our sales and earnings in 1999 through the introduction of new products and the continued expansion of our marketing efforts both domestically and internationally."

Further Mr. Adams stated, "In response to current market conditions, we have recently rolled out a new marketing campaign offering a high quality golf bag free to consumers who purchase any two Tight Lies® fairway woods. Based on preliminary reaction from our retailers, we believe this promotion will help stimulate sales and reduce the gray market distribution as the free bag is available only to customers who purchase Tight Lies clubs through authorized Adams Golf retailers. In addition, we will begin

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airing a new Tight Lies infomercial within the next week which focuses on the expanded line of Tight Lies products and highlights the benefits of the Tight Lies fairway wood over clubs currently offered by our competitors. Meanwhile, we are continuing our research and development efforts and the new driver remains on track for introduction in the first quarter of the new year," concluded Barney Adams.

On October 1, 1998, Adams Golf announced that its Board of Directors had authorized the repurchase of up to two million shares of the Company's common stock. With respect to this share repurchase program, Adams Golf has purchased 657,500 shares of the Company's common stock to date.

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*These statements are made under the*

*"safe harbor"*

*provisions of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, including but not limited to the following: product development; product introductions; market demand and acceptance of products; the impact of changing economic conditions; business conditions in the golf industry; reliance on third parties including suppliers; the impact of market peers and their products; the actions of competitors, including pricing; risks concerning future technology; and one time events and other factors detailed in the Company's prospectus, and other Securities and Exchange Commission filings. These filings can be obtained by contacting Adams Golf Investor Relations.*

[Please note: The original copy of this news release included two additional pages, consisting of the Company's Condensed Consolidated Statements of Operations and Balance Sheets. If you would like to receive a copy of the full news release, please call (972) 673-9850 and leave your fax telephone number. A copy of the release will be faxed to you as soon as possible.]

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## **ADAMS IN THE NEWS**

### **Adams Golf Comments on Fourth Quarter Outlook**

-1/7/99

PLANO, TEXAS, JANUARY 7, 1999—Adams Golf (NASDAQ:ADGO) announced today that due to lower than anticipated sales and certain charges to operations, the Company expects to report a loss of between \$.17 and \$.19 per share for the quarter ended December 31, 1998. The Company intends to report actual fourth quarter results during the week of February 1, 1999.

Adams Golf attributes the lower than expected sales to continuing weakness in the golf equipment market and the gray market distribution of its products to a membership warehouse club. Operating results for the fourth quarter were further impacted by credits offered to retailers in connection with a new suggested retail pricing structure and settlement of future royalty obligations that would have been payable to (1) an outside sales and marketing consultant and (2) infomercial talent. The Company expects the aggregate after tax expense associated with the above charges will approximate \$3.2 million, or \$.14 per common share.

"We are clearly disappointed by the results of our fourth quarter in which sales were affected more than originally anticipated by the factors discussed above," stated Barney Adams, Chairman, CEO and President of Adams Golf. "Effective immediately, we are implementing a new pricing structure. In conjunction with the new pricing, retailers will be eligible to receive credit on unsold Adams inventories at the time of the price change, which may be applied to future orders of existing products."

Mr. Adams further stated, "We believe the strategic steps taken the last quarter of 1998, combined with scheduled new product introductions in 1999, improves our competitive posture and will benefit our shareholders going forward. Furthermore, our balance sheet remains strong with approximately \$58 million in cash, cash equivalents and marketable securities with virtually no debt as of December 31, 1998."

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business conditions in the golf industry; reliance on third parties including suppliers; the impact of market peers and their products; the actions of competitors, including pricing; risks concerning future technology; and one time events and other factors detailed in the Company's prospectus, and other Securities and Exchange Commission filings. These filings can be obtained by contacting Adams Golf Investor Relations.

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Dow Jones &amp; Reuters

**Adams Takes Legal Action Against Costco**

139 words

9 June 1998

16:02

PR Newswire

English

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PLANO, Texas, June 9 /PRNewswire/ -- **Adams Golf** (Nasdaq: ADGO) filed a Bill of Discovery against Costco on June 9, 1998.

The Bill of Discovery was filed in order to determine whether Costco's claims that they had properly acquired Adams' Tight Lies(R) fairway woods for resale were accurate.

**Adams Golf** became concerned when it learned that Costco was selling their Tight Lies(R) fairway woods because Costco is not an authorized distributor.

"We are committed to our program of partnership with our retail accounts," stated Barney Adams, Chief Executive Officer of **Adams Golf**. "We are prepared to take every legal action required to ensure that our valuable relationship with our retailers is maintained and remains fully intact," Adams added.

/CONTACT: Mary Beth Lacy for **Adams Golf**, 760-771-3411/ 16:46 EDT

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